



**MMLA TESTIMONY ON THE FORECLOSURE PREVENTION LAW
BEFORE THE HOUSE BANKING AND FINANCIAL SERVICES COMMITTEE**

Presented by Murray Brown, MMLA Legislative Consultant
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Founded in 1929, MMLA is composed of over 450 members including mortgage professionals, mortgage banking firms, mortgage brokers, commercial banks, savings banks, credit unions, and other business entities providing products and services to the mortgage industry.

The MMLA Mission Statement is to provide our members with the resources, legislative voice and education to effectively support the real estate finance community and to assist the people of the State of Michigan in achieving homeownership.

The MMLA would support the extension of Public Acts 29-31 of 2009, the Michigan Foreclosure Prevention Law, for an additional two years beyond its July 5, 2011 sunset date. The MMLA will support amendments to the law that would provide borrowers more protection from foreclosure prevention scammers who sometimes prey on homeowners. These amendments would prohibit a person who is not on the MSHDA or HUD-approved housing counselor list from providing counseling services under the act and would prescribe penalties including imprisonment for violators.

Additionally, MMLA would support technical amendments regarding documentation required by the servicer in connection with the mediation process. There is no deadline set by the statute for the homeowner to provide documents needed for the mediation process. The Association would support a requirement that the documentation be provided within 10 business days after a request from the servicer or its agent.

MMLA would also support a review of the impact of the Foreclosure Prevention law on the length of the foreclosure process. The mediation process adds 90 days to what was previously a 12 to 15 month foreclosure time frame. This issue was discussed during

deliberations in 2009 prior to the enactment of the law. A proposal was discussed to shorten the six-month post-foreclosure redemption period by 90 days for those borrowers whose foreclosure filings were delayed for the 90-day pre-foreclosure mediation process, but who did not qualify for loan modifications. This change would help to mitigate any negative impact on neighborhood stabilization resulting from a lengthening of the time before homes are re-occupied with new owners.